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GOVERNMENT OF INDIA

TARIFF COMMISSION

REPORT

On the Continuance of Protection to the Automobile Leaf Spring Industry

BOMBAY 1957

PERSONNEL OF THE COMMISSION

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Shri C. Ramasubban	*Member*
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PANEL FOR THE INQUIRY

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SECRETARY

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GOVERNMENT OF INDIA

MINISTRY OF COMMERCE & INDUSTRY

(DEPARTMENT OF HEAVY INDUSTRIES)

New Delhi, the 9th Nov., 1957.

RESOLUTION

Tariffs.

No. 21(6) T.R./57.—The Tariff Commission has submitted its Report on the continuance of protection to the Automobile Leaf Spring Industry on the basis of an inquiry undertaken by it under sections 11(e) and 13 of the Tariff Commission Act, 1951. Its recommendations are as follows:—

(1) Protection to the Automobile Leaf Spring Industry should be continued up to 31st December, 1959, and the standard rate of protective duty should be retained at the existing level of 50 per cent. *ad valorem.*

(2) The Development Commissioner, Small Scale Industries, should take early steps to provide the small scale manufacturers with necessary technical assistance and, wherever possible, common facilities for testing of springs and raw materials with a view to improving the quality of leaf springs produced by them.

(3) The Iron and Steel Controller should take necessary steps to help the Automobile Leaf Spring Industry to obtain regular supplies of spring steel flats to meet its essential requirements.

(4) All the units in the industry should introduce a proper system of costing before the end of June, 1958 and report to the Commission.

(5) The manufacturers of leaf springs and spring leaves should immediately effect a reduction in their selling prices and maintain them at levels in fair relation to their costs of production.

(6) All manufacturers of leaf springs and leaves should periodically publish and arrange to display at the premises of the dealers list prices of all varieties indicating the price for each item.

2. Government accept recommendation (1) and the necessary legislation will be undertaken in due course.

3. Government have taken note of recommendations (2) and (3) and will consider suitable action to the extent possible.

4. The attention of the industry is drawn to recommendations (4), (5) and (6).

ORDER

ORDERED that the Resolution be published in the Gazette of India and a copy of it be communicated to all concerned.

S. RANGANATHAN,

Secretary to the Government of India.

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REPORT ON THE CONTINUANCE OF PROTECTION TO THE AUTOMOBILE LEAF SPRING INDUSTRY

Previous tariff inquiry.

1. Investigation into the claim of the automobile leaf spring industry to protection and assistance was first undertaken by the Commission along with its inquiry into the automobile industry in 1953. It was, however, decided later that cases of ancillary industries for protection should be examined separately. In pursuance of that decision the Commission held an inquiry into the automobile leaf spring industry in 1954 under Section 11(a) of the Tariff Commission Act, 1951. In its report submitted to Government in August 1954, the Commission recommended grant of protection to this industry up to 31st December, 1956 by converting the then existing revenue duty of 50 per cent. *ad valorem* standard, into a protective duty at the same rate. The preferential rate was left to be fixed in accordance with the terms of the India—United Kingdom trade agreement. "This recommendation was accepted by Government but in doing so they made it clear that with the abolition of the preferential duty under Finance Act, 1954 on tariff item No. 75(10) (iii), among others, the new item to be assigned to leaf springs and parts thereof will be subject to a protective duty of 50 per cent. *ad valorem* at the standard rate only with no surcharge applicable to it in so far as they are adapted for use as parts and accessories of motor cars including taxi cabs." In consultation with the Commission the period of protection was extended by one year, *i.e.* up to 31st December, 1957 by the Indian Tariff (Amendment) Act, 1956.

Present inquiry.

2. The present inquiry has been undertaken under Section 11(e) read with Section 13 of the Tariff Commission Act, 1951 whereby the Commission has been empowered to inquire into and report on any further action required in relation to the protection granted to an industry, with a view to its increase, decrease, modification or abolition according to the circumstances of the case.

Method of inquiry.

3.1. Special questionnaires were issued to all known producers, importers and consumers in the first week of May, 1957. On 7th May, 1957 a press communique was also issued inviting producers, importers, consumers, associations and other interests concerned to obtain copies of the relevant questionnaires and to submit their replies thereto. The Association of the producers was addressed for a memorandum on the problems facing the industry. The Development Wing, Ministry of Commerce and Industry was requested to forward a memorandum on the present position of the industry. The Director-General of Supplies and Disposals, Government of India, was addressed for information regarding the quality of the indigenous product, purchase policy followed by Government from time to time and other allied matters. The Ministry of Defence, Government of India was also approached for information about the requirements of leaf springs for the Defence Services. The Iron and Steel Controller was requested to furnish information about the measures taken by him to remove the difficulties experienced by the industry in obtaining supplies of spring steel and getting it rolled into requisite sections. A memorandum on the small scale sector of the industry was invited from the Development Commissioner, Small Scale Industries, New Delhi. Collectors of Customs were requested to furnish data regarding c.i.f. prices and landed costs of leaf springs and spring leaves imported through their ports. Memoranda on the present position of the industry were also called for from the State Governments of Bombay, Madras, Punjab, Delhi, Orissa and Mysore. The Indian Standards Institution was requested to furnish information regarding the progress made by it in formulating standard specifications for leaf springs. A list of those to whom questionnaires and letters were issued and from whom replies or memoranda were received is given in Appendix I.

3.2. Shri S. R. Mallya, Research Officer in the Cost Accounts Section visited the factory of Metropolitan Springs Private Ltd., Bombay between 3rd and 10th May, 1957 and examined the costs of production of automobile leaf springs and main leaves manufactured by the Company.

3.3. Shri R. S. Bhatt, Member of the Commission accompanied by Dr. Rama Varma, Secretary visited the factory of Premier Automobiles Ltd., Kurla on 19th July, 1957. Shri C. Ramasubbhan, Dr. S. K. Muranjan and Shri R. S. Bhatt, Members of the Commission visited the factory of Metropolitan Springs Private Ltd., Bombay on 20th July 1957. A public inquiry was held on 23rd July, 1957 at the office of the Commission in Bombay. A list of persons who attended the inquiry is given in Appendix II.

Scope of the inquiry.

4. Automobile leaf springs (front and rear) are of different types and specifications to suit the requirements of different types of vehicles. The scope of the last inquiry included all types and sizes of automobile leaf springs. At present inquiry, the Bombay Electric Supply and Transport Undertaking represented to us as it did at the 1954 inquiry that as solid-eye leaf springs for its heavy duty vehicles are not manufactured in the country, imports of such springs for its vehicles should be allowed liberally. It also requested the Commission to consider whether protection to springs could be limited to a weight up to which the Indian manufacturers are interested. The contention of the BEST Undertakings was that the Indian Industry would not find it economical to manufacture springs for heavy duty vehicles. This matter was discussed at the public inquiry when the representative of the producers pointed out that they were capable of producing solid eye springs, since they have now installed the necessary equipment, provided there was reasonable demand for them. Further, it was mentioned that rolled eye leaf springs could be used without difficulty as substitutes for solid eye springs. The demand for leaf springs of Bombay Electric Supply and Transport Undertaking during the past three years is comparatively small and *ad hoc* licences are granted to meet this demand. Most of the other consumers like automobile manufacturers and State Transport Corporations have found that rolled eye leaf springs are suitable and are currently used both for original equipment as well as replacement. As regards the suggestion for limiting protection up to a particular weight of leaf springs

it would be extremely difficult to make such a distinction between heavy and light weight springs for purposes of assessing customs duty and would lead to serious administrative problems. We have, therefore, decided to include all types and sizes of automobile leaf springs (front and rear) within the scope of the inquiry.

Implementation of the recommendations made by the Commission in its Report (1954) on matters other than tariffs.

5.1. In addition to the recommendation referred to in paragraph 1 above regarding tariffs the Commission made several ancillary recommendations in its Report of 1954. The extent to which these recommendations have been implemented is given below:

5.2. "The Iron and Steel Controller should examine the difficulties experienced by the manufacturers of leaf springs in obtaining supplies of spring steel and getting them rolled into requisite sections and take suitable measures to remove these difficulties".

The Iron and Steel Controller, Calcutta informed us that he investigated the possibilities of manufacturing spring steel of various grades and getting them rolled into sections as required for the manufacture of automobile leaf springs. He has, however, found that it would be difficult to obtain any appreciable supplies from indigenous sources, because the capacity in the country for rolling spring steel billets into flats is at present very limited. Guest, Keen, Williams Ltd. which has the necessary equipment to undertake the manufacture of spring steel flats of suitable sizes for the manufacture of leaf springs is not in a position to meet the requirements of the leaf spring industry owing to (a) shortage of billets and (b) heavy back-log of orders from the railways. This question is discussed further in paragraph 10.1.

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5.3. "The Indian Standards Institution should examine the question of standardization of the types of leaf springs, in consultation with the manufacturers of leaf springs, producers of spring steel, manufacturers of motor vehicles, State Transport Services and motor vehicle operators."

"The Indian Standards Institution should take up the question of formulating standard specifications for indigenous leaf springs as early as possible in consultation with the indigenous manufacturers of leaf springs and manufacturers of motor vehicles."

We were informed by the Indian Standards Institution that a draft Indian Standard Specification for leaf springs for automobile vehicles and suspension was finalised by the Automotive Vehicles and Internal Combustion Engines Sectional Committee (EDC 14) at its last meeting held in December, 1956. Certain modifications in the dimensional details and a few other outstanding points, including details of metric sizes are being concluded in consultation with the spring manufacturers, the Development Wing and Technical Development Establishment (Vehicles), Ahmednagar. It is expected that this standard will be published before the end of the current year.

5.4. "Government should arrange with the Collectors of Customs and the Director General of Commercial Intelligence and Statistics to record the imports of leaf springs for motor vehicles and of leaves of such springs in tonnage as well as invalue."

This recommendation has been implemented. Since April, 1955, the Director-General of Commercial Intelligence and Statistics has been furnishing to the Commission monthly statistics of imports of automobile leaf springs and spring leaves. Imports of these items were not published in the Accounts relating to Foreign Trade and Navigation of India. Since January 1957 they are being published in terms of quantity (unit : ton) and value in the Monthly Statistics of the Foreign Trade of India.

5.5 "Guest, Keen, Williams Ltd., should explore all possible means of reducing their rolling cost".

We are informed by some of the manufacturers that Guest, Keen. Williams Ltd. has, on the contrary, increased the prices of spring steel flats. This matter was referred to the company. It has stated that the conversion rates have remained more or less unchanged since 1954 and that its method of rolling spring steel bars is also practically the same as before. The increase in its selling prices was, however, due to the rise in the price of billets and in the costs of several other items including labour. It has, however, a scheme on hand for the installation of modern rolling mills which are expected to go into operation in 1959. It has assured us that after production at the new mills commences, it will investigate the possibility of effecting a reduction in its conversion charges.

5.6. "The manufacturers of motor vehicles in India should as far as possible buy their requirements of leaf springs from the indigenous producers. The manufacturers of leaf springs should also adopt the practice usually followed in foreign countries of supplying their products for use as original equipment at concessional prices."

We were informed by the manufacturers of motor vehicles that they have been purchasing their requirements of leaf springs from the indigenous producers. The Tata Locomotive and Engineering Co. Ltd., Jamshedpur has, however, stated that in spite of its best efforts it was unable to obtain from indigenous manufacturers leaf springs for its Tata—Mercedez vehicles in conformity with its specifications. It was, therefore, obliged to instal the requisite plant and machinery at its own factory in order to meet its requirements and it has already gone into production. The manufacturers of leaf springs *viz.* Canara Workshops Ltd. and Metropolitan Springs Private Ltd., have stated that they are supplying leaf springs for use as original equipment at specially reduced prices to automobile manufacturers.

Present position of the industry.

6.1. There are at present six manufacturers of leaf springs, namely, metropolitan Springs Private Ltd., Bombay, Canara Workshops Ltd., Mangalore, Premier Automobiles Ltd., Bombay, Tata Locomotive and Engineering Co. Ltd., Jamshedpur, Bombay Motor Trading Company, Kapurthala and Auto Pins (India), Faridabad. Of these, the Bombay Motor Trading Company, Kapurthala is not on the list of the Development Wing. In addition, we have received information from the Development Commissioner, Small Scale Industries that there are at present about 25 units producing leaf springs and spring leaves mainly for replacement purposes, in different parts of the country. Further, it appears that there is a large number of cottage units which primarily undertake repairs, and also produce loose leaves of small sizes.

6.2. Since the last inquiry, the automobile leaf spring industry has achieved considrable progress. Metropolitan Springs Private Ltd. has acquired additional equipment of modern type which includes an automatic conveyor type electric furnace and automatic eye-rolling, hardness testing and special grinding machines. It has also expanded its productive capacity to 1000 tons per year on single shift basis. Canara Workshops Ltd., has also installed hardness testing, fatigue testing and bend testing machines as well as shot peening machine which improves the fatigue life of springs. Further, a continuous conveyor type furnace for hardening and tampering spring leaves with automatic pyrometer controls and temperature records is under erection in its works. With the installation of the new furnace and other additional equipment, the installed capacity of Canara Workshops Ltd., will increase to 1200 tons a year on single shift basis. Premier Automobiles Ltd., has installed two modern cambering machines. Tata Locomotive and Engineering Company Ltd., has installed a modern plant for the manufacture of leaf springs according to its specifications. Bombay Motor Trading Co., has also installed cambering machines and furnaces of new designs which have resulted in increasing the firm's productive capacity from 1000 to 1800 tons per annum on single shift basis. Auto Pins has acquired a manual eye-rolling machine, a cambering and load testing machine and a hardness testing machine. Since 1954 production by the organised sector of the industry has been more than doubled and utilisation of the installed capacity has progressively increased.

6.3. With regard to small scale units the Development Commissioner, Small Scale Industries has informed us that the units mainly employ manually operated machines and have no proper hardening or tempering equipment.

Rated capacity.

7.1. In 1954 the Comimssion estimated the rated capacity of the five units at 5,200 tons per annum on single shift basis. The present installed capacity of the six major producers as reported by them and as furnished by the Development Wing are given below.

Sl. No.	Name of the unit	Annual rated capacity on single shift in		
			1957	
		1954	As reported by the unit	As furnished by the Development Wing
		Tons	Tons	Tons
1	Metropolitan Springs Private Ltd. . . .	600	1200	1200
2	Canara Workshops Ltd.	300	1200	1200
3	Premier Automobiles Ltd.	2300	1200	2300
4	Tata Locomotive and Engineering Co., Ltd. .	N.P.	1600	N.A.
5	Bombay Motor Trading Co.	1000	1800	N.A.
6	Auto Pins (Regd.)	1000	1000	1000
		5200	8000	5700

N. P.—Not in production.
N. A.—Not available.

Premier Automobiles Ltd., has an installed capacity of 2300 tons but only a portion of it *i.e.*, up to 1200 tons is devoted to the manufacture of leaf springs for automobiles, the balance being utilised for the manufacture of leaf springs for railways.

7.2. Of the six units mentioned above, two units, namely, Metropolitan Springs Private Ltd., and Canara Workshops Ltd., have been working on double shift and the remaining units on single shift. Since the last inquiry, two new units have been licensed to meet the growing demand of automobile leaf springs in the country, *viz.* Mahindra and Mahindra Ltd., Bombay with a capacity of 4800 tons a year and Deepak Industries Ltd., Calcutta of 2300 tons a year. Mahindra and Mahindra Ltd., could not state the probable date of its commencement of production because it had not received licences for the import of machinery. Deepak Industries Ltd., is expected to commence production from April, 1958. It has stated that a part of its capacity will be utilized for the manufacture of leaf springs for railways. When these schemes materialise, the annual rated capacity of the automobile leaf spring manufacturers will increase from 8000 to 15100 tons.

7.3. The Development Commissioner, Small Scale Industries has informed us that it is difficult to assess the productive capacity of small scale units because they employ manually operated machines and do not maintain uniform efficiency in operation.

Production.

8.1. We have received figures of actual production of leaf springs and spring leaves in tonnage from the six regular producers and from the Development Wing. There are small discrepancies in the two sets of figures in respect of the four units which are on the list of the Development Wing. The figures furnished by the manufacturers to the Commission were for the calendar years. According to one of the manufacturers, the figures furnished by the Development Wing were derived from the figures submitted by the manufacturers to the Development Wing for their accounting years. This may possibly explain the discrepancies. For the purpose of this inquiry we have adopted the figures of production submitted to us by the producers. The statement below gives the production in 1954, 1955, 1956 and 1957 (January to March).

Sl. No.	Name of the unit	Production			
		1954	1955	1956	1957 (Jan.-Mar.)
		Tons	Tons	Tons	Tons
1	Metropolitan Springs Private Ltd., Bombay	475·82	539·11	485·94	102·77
2	Canara Workshops Ltd., Mangalore .	533·66	667·70	1084·00	288·28
3	Premier Automobiles Ltd., Bombay .	529·24	472·81	1038·00	273·05
4	Tata Locomotive & Engineering Co. Ltd., Jamshedpur	..	261·65	888·04	461·16
5	Bombay Motor Trading Co., Kapurthala	728·00	755·00	1158·00	391·00
6	Auto Pins (India) Regd., Faridabad .	32·73	215·55	300·11	53·78
	TOTAL .	2299·45	2911·82	4954·09	1570·04

8.2. A detailed statement showing production of automobile leaf springs and spring leaves for (a) passenger cars and (b) commercial vehicles (in numbers as well as in tonnage) as reported by the six units for the years 1954, 1955, 1956 and 1957 (January-March) is given in Appendix III.

8.3. According to the Development Commissioner, Small Scale Industries, the estimated production of leaf springs and springs leaves by 26 small scale units during 1956 aggregated about 1605 tons, which works out to 48150 springs on the basis of 30 springs to 1 ton.

Domestic demand.

9.1. In its Report of 1954 the Commission had estimated the then demand for leaf springs at 255,000 springs. This was exclusive of the requirements of the Defence Services. On the basis of 30 springs per ton, the then demand was placed at 8500 tons. As regards the future demand it was stated that on the basis of the then offtake of new vehicles, the increase was not expected to be more than 5 per cent. per annum. In connection with the present inquiry we have received various estimates of annual demand ranging from 236,000 springs to 409,375 springs for 1957 and from 412,500 springs to 648,500 springs by 1960-61. The Development Wing has estimated that the current demand for automobile leaf springs is of the order of 13,000 tons *i.e.*, 390,000 leaf springs per year and that this would go up to 17,000 tons *i.e.*, 510,000 springs by 1960-61. We have also received estimates of current and future demand from the main producers.

9.2. The demand for leaf springs for automobiles consists of (a) demand for original equipment and (b) demand for replacement. This may further be divided into (i) demand for passenger cars and (ii) demand for commercial vehicles. The production of automobiles in 1957 is estimated to be about 35,900 motor vehicles comprising of 18,000 passenger cars, 3,500 jeeps and 14,400 commercial vehicles. Normally, two springs would be required for each new passenger car and four springs for each new jeep as well as commercial vehicle. On this basis the present demand for springs for original equipment would be 36,000 springs for passenger cars, 14,000 for jeeps and 57,600 for commercial vehicles making up a total of 107,600 springs for original equipment. The demand for replacement is both for complete springs and loose leaves but the over-all demand is expressed in terms of complete springs. The total number of passenger cars, commercial vehicles and other vehicles on road at the end of 1956 is estimated at 384,000 consisting of 194,000 passenger cars and 190,000 commercial vehicles. We have adopted the same basis as we did at the last inquiry for calculating the estimated demand for replacement. It was agreed at the public inquiry that it would be adequate if, in regard to passenger cars, requirements of leaf springs per year were estimated on the basis of one spring for every 40 vehicles. Further, for commercial vehicles operating in urban areas, one spring per vehicle on an average is required for replacement every year and for vehicles operating in rural areas two springs per vehicle are needed every year. We have again assumed that approximately 45 per cent. of the total number of commercial vehicles operate in urban areas and 55 per cent. ply in rural areas. On this basis, the current replacement demand works out to 4,850 springs for passenger cars including jeeps and 294,000 springs for commercial vehicles making up a total of 298,850 springs. The total current demand for springs, exclusive of the Defence requirements, both for original equipment and replacement is thus estimated at 406,450 springs as follows :—

	Springs
(*a*) *Demand for original equipment:*	
(1) Passenger cars including jeeps	50,000
(2) Commercial vehicles	57,600
(*b*) *Demand for replacement:*	
(1) Passenger cars including jeeps	4,850
(2) Commercial vehicles	294,000
	406,450

We have assumed the same rate of conversion of the number of springs into tonnage, *i.e.*, 30 springs weigh on an average one ton. On this basis the current demand of leaf springs in terms of tonnage works out to about 13,550 tons.

9.3. We expect the demand to increase by about 15 per cent. over the next two years.

Raw materials.

10.1. The basic raw material required for the manufacture of leaf springs is steel which is generally of the following three grades (i) silico manganese (ii) chrome vanadium and (iii) chrome-silicon. The other materials required are mild steel flat bars or strips and plates, phosphoric bronze bushes, tubes for bushes, centre bolts, clip bolts, nuts and rivets. Apart from spring steel, we are informed that all other raw materials are available from indigenous sources. The position regarding spring steel is, however, very acute.

10.2. During the past three years supplies of spring steel to the manufacturers of leaf springs from indigenous sources were small and inadequate and consequently, the bulk of their requirements was met from imported spring steel flats. The Iron and Steel Controller informed us that he had taken up this matter from time to time with Guest, Keen, Williams Ltd. which alone has the capacity and equipment to manufacture spring steel for leaf springs. Guest, Keen, Williams Ltd., has an electric furnace in which it is producing approximately 6000 tons of ingot per annum. Most of this production goes to meet priority orders for railway wagon building programme and some for the manufacture of grinding media for the cement industry. In spite of such pressing demands small quantities are reported to have been supplied to Premier Automobiles Ltd., and Bombay Motor Trading Co., Guest, Keen, Williams Ltd., does not have facilities at its works to produce large size ingots required for the manufacture of silico-manganese spring steel and has to depend on Metal and Steel Factory, Ishapore, 25 miles away from its own factory, for cogging down ingots of the required size. According to the Iron and Steel Controller, no other re-roller has the equipment to undertake supplies of spring steel. It appears that the excess capacity at Tata Locomotive and Engineering Co., Ltd. is also fully booked to meet the requirements of railways. The Iron and Steel Controller is, therefore, of the view that there is little likelihood of any appreciable improvement in the supply of spring steel from indigenous sources in the immediate future.

10.3. Imports of spring steel were freely licensed up to July 1957. For the quarter ending September, 1957 the policy is to grant licences only to actual users on the basis of three months' requirements as recommended by the Development Wing. It was represented to us at the public inquiry that under the present policy licences are granted for three months' requirements after deducting the quantity of stocks held by a unit concerned and that as most of the manufacturers carried more than three months' stock, they would not become eligible for fresh licences. They also complained of long delays in obtaining supplies from abroad at short notice. It appears that the Development Wing had examined the difficulties of the industry and that it is now aggreable to recommend licences for import of spring steel for three months' requirements of individual units after allowing them to carry over four months' stock at any time. This arrangement should remove the difficulties of the industry in obtaining spring steel to a large extent. In view of the great importance of road transport in the Second Five Year Plan, it is necessary to keep as many vehicles on the road as possible and the claims of an ancillary industry like leaf spring for high priority cannot be overlooked. We, therefore, recommended that the Iron and Steel Controller should take necessary steps to help the automobile leaf springs industry to obtain regular supplies of spring steel flats to meet its essential requirements.

Quality of the indigenous product.

11.1. The quality of the automobile leaf springs produced by the organised sector of the industry has shown marked improvement since the last inquiry as a result of (a) installation of modern equipment, and (b) introduction of quality control methods. The Development Wing has stated that it has not received any complaint regarding the performance of indigenously produced leaf springs. Some of the main consumers have reported that the quality of the leaf springs produced by the organised units is satisfactory and comparable to imported ones. At the public inquiry the consensus of opinion was that the quality of indigenous leaf springs has improved and compares favourably with that of imported springs.

11.2. As regards springs manufactured by the small scale manufacturers, the Development Commissioner, Small Scale Industries, has informed us that their quality is inferior to that of the products manufactured by large-scale units. Most of the products of the small scale sector are not manufactured according to standard specifications and, therefore, uniformity in the quality of springs is not maintained. Defective process of manufacture, non-availability of specified quality of raw materials and want of proper testing facilities are the main handicaps of the small scale manufacturers. However, the products of those small scale units which have the necessary heat treatment, hardening and tempering arrangements and some testing facilities are of fairly good quality. Since the small scale units render useful service in carrying out repairs as well as supplying leaf springs and spring leaves to passenger and goods vehicles in small towns and rural areas it is essential that the quality of springs produced by these units should be satisfactory. We, therefore, recommend that the Development Commissioner, Small Scale Industries should take early steps to provide the small scale manufacturers with necessary technical assistance and, wherever possible, common facilities for testing of springs and raw materials with a view to improving the quality of leaf springs produced by them.

11.3. The Indian Standards Institution has, as stated earlier, circulated the draft Indian standard specification for general requirements of leaf springs for automobile vehicles and suspension which has been finalised by the Sectional Committee for Automotive Vehicles and Internal Combustion Engines and it is expected to be published in the course of the next 3 or 4 months. In the meantime, the regular producers continue to manufacture springs according to the specifications adopted by them hitherto.

Import control policy and imports.

12.1. *Import control policy.*—Automobile leaf springs and spring leaves are not treated as a separate item for the purpose of import control. Licences for the import of specified motor vehicle parts including leaf springs falling under Sl. Nos. 293, 295 and 297 of Part IV of Import Trade Control are granted to established importers on the basis of a joint quota of past imports of all such articles. Motor vehicle parts for which licences granted on the basis of joint quota are not valid, are grouped into two lists, List I and List III. List I contains items for which licences issued for motor vehicle parts on the basis of a joint quota are not valid and List III contains items for which licences are to be granted on the quota based on the imports of individual items. List II contains items for which the licences issued on the basis of a joint quota can be utilised. Leaf springs and spring leaves are included as one of the items in List II. The following table gives particulars relating to the import control policy as applicable to motor vehicle parts since January-June 1955.

Licensing period	Joint quota licence issued	Percentage of the face value of the licence that can be utilised for the import of items specified in List II
January—June, 1955 . .	100% each of half of best year's imports from the dollar area and the soft currency area.	Not more than 3%
July—December, 1955 . .	Do.	Do.
January—June, 1956 . .	Do.	Do.
July—December, 1956 . .	Do.	Do.
January—June, 1957 . .	60% General 60% Soft.	Not more than 4%
July—September, 1957 . .	Minimum requirements of essential items to Actual Users only.	

12.2. *Imports.*—Imports of automobile leaf springs and spring leaves were not recorded separately in the Accounts relating to Foreign Trade and Navigation of India. The Director-General of Commercial Intelligence and Statistics, Calcutta, has, however, been forwarding to us monthly statistics of imports of automobile leaf springs and spring leaves since April, 1955 in accordance with the recommendation made in our (1954) Report. With effect from January, 1957, however, imports of automobile leaf springs and spring leaves are also being published separately in the Monthly Statistics of the Foreign Trade of India. Imports in quantity and value of automobile leaf springs and spring leaves during 1955-56 and 1956-57 are shown in Appendix IV. The bulk of imports was from U.K.

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Existing rate of duty.

13. Automobile leaf springs are at present assessed to a customs duty of 50 per cent. *ad valorem* under item No. 75(15) of the First Schedule of the Indian Customs Tariff (Forty Second Issue). The relevant extract from the Schedule is reproduced below.

Item No.	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty
				The U.K.	A British Colony	Burma	
75(17)	Leaf springs and parts thereof, adapted for use as parts and accessories of motor vehicles other than motor cycles and motor scooters.	Protective	50 per cent. *ad valorem*	..	..	..	December 31st 1957

Under Government of India, Ministry of Finance (Revenue Division), Notification No. 42-Customs, dated the 31st May, 1953, as subsequently amended by Notification No. 172-Customs, dated the 23rd December, 1954, leaf springs and parts thereof adapted for use as parts and accessories of motor vehicles, *other than* motor cycles and motor scooters, if of the United Kingdom manufacture, are exempt from the payment of so much of the customs duty leviable thereon, as is in excess of 42½ per cent. *ad valorem,* provided that the said articles are not also adapted for use as parts and accessories of motor cars including taxi cabs.

C.i.f. prices and landed costs.

14. In Appendix V are given the c.i.f. prices and landed costs as furnished by the Collectors of Customs and importers, of certain selected types of leaf springs and spring leaves that correspond to the representative types of indigenous ones. We were also able to obtain c.i.f. prices of certain other types of imported springs and leaves but the Appendix excludes such information. At the time of our inquiry in 1954, it was apprehended that there would be substantial imports from Australia and the c.i.f. prices of Australian springs were, therefore, adopted for the purpose of determining the quantum of protection to the industry. We, however, observe that during the last two years 1955-56 and 1956-57, there were no imports of leaf springs and spring leaves from Australia. Hence, for the purpose of comparison with the fair ex-works prices of the indigenous products, we have adopted the c.i.f. prices of leaf springs and spring leaves imported from U.K. which is the source of the bulk of our imports at present.

Estimates of fair ex-works prices of indigenous leaf springs.

15.1. Our Research Officer (Costing) examined the costs of production of leaf springs and leaves manufactured by Metropolitan Springs Private Ltd., Bombay. For the purpose of comparison of costs with c.i.f. prices to determine the quantum of protection, we have estimated the future costs on the basis of the actual costs worked out for the period January to August, 1956. As the company has desired that details of its costs should be kept confidential we are forwarding the cost report separately as a confidential document. We would like to mention here that our officer who examined the costs of the Company had great difficulty in determining the actual costs, as the company has not been maintaining cost data in sufficient detail. We recommend that all the units in the industry should introduce a proper system of costing before the end of June 1958 and report to the Commission.

15.2. The main factors which have been taken into account in estimating the future fair *ex*-works prices are given below.

15.2.1. *Production.*—The total production of both leaf springs and leaves for the period of eight months in 1956 was 420 tons (equivalent to 630 tons a year). The Company has since expanded its capacity to 1,000 tons a year on single shift. For the future, we have estimated the production at 1,500 tons a year.

15.2.2. *Raw materials.*—This Company mainly uses silico-manganese spring steel flat bars of specifications EN 45A imported from Sweden, the U.K., Japan and Czechoslovakia as its raw material. In working out the estimated fair ex-works prices, the latest price of imported raw material received by this Company has been adopted, which works out to Rs. 983·2 per ton or Rs. 0·439 per lb. The prices of bought-out accessories such as clamps, bolts, nuts, rivets and ferules for leaf springs and bushes for main leaves have been based on those relating to January-August 1956. Credit has been taken in the net material cost for scrap arising out of spring steel flats.

15.2.3. *Manufacturing charges.*—Costs in respect of labour, power, repairs and maintenance, consumable stores, establishment, depreciation and other overheads have been included under this head. These have been allocated to different types of springs and leaves, which vary in designs, dimensions and weight on the basis of the time required for the manufacture of each. All possible economies in conversion charges due to higher production and better utilisation of labour and plant facilities have been taken into account in framing our estimates.

15.2.4. *Interest on working capital.*—Working capital has been estimated at an amount equivalent to five months' cost of production and interest at 5.5 per cent. has been allowed on it.

15.2.5. *Return on block.*—The value of the fixed assets at original cost has been estimated at about Rs. 16.07 lakhs and a return of 10 per cent. has been allowed on it.

15.3. Two statements showing our estimates of fair *ex*-works prices of representative types of complete springs and spring leaves are given in Appendices VI (A) and VI (B). From among the prices estimated by us we have selected the following for comparison with the c.i.f. prices and landed costs (*ex*-duty) of similar foreign products.

Chevrolet Truck

Leaf Springs—

22-174-Front spring-11 leaves
22-177-Rear spring-10 leaves
22-207-Rear spring-11 leaves

Leyland Truck

281768-Rear spring-19 leaves

Chevrolet Truck:

Main leaf—

22-142 Front
22-177 Rear

Dodge Truck

34-457 Rear

Comparison of fair ex-works prices with landed costs.

16. The following statement gives a comparison of the fair ex-works prices of certain indigenous leaf springs and main leaves for automobiles as estimated by us with the latest c.i.f. prices and landed costs (*ex*-duty) of the corresponding types of imported leaf springs and main leaves :—

Sl. No.	Type of spring and main leaf	C.i.f. price and source	Clearing charges	Landed cost ex-duty	Estimated fair ex-works price	Difference between 4 & 5	Difference as a percentage of c.i.f. price
	1	2	3	4	5	6	7
		Rs.	Rs.	Rs.	Rs.	Rs.	%
I.	*Leaf Springs*						
1	*Chevrolet Truck.*						
	22-174-Front . . . . Spring-11 Leaves . . .	32·00 U.K.	0·50	32·50	39·94	7·44	23·25
	22-177-Rear . . . . Spring (10)	48·00 U.K.	0·50	48·50	57·36	8·86	18·46
	22—207-Rear Spring (11) .	50·00 U.K.	0·50	50·50	59·30	8·80	17·60
2	*Leyland Truck*						
	281768-Rear Spring (19) . .	180·67 U.K.	1·81	182·48	183·56	1·08	0·60
II.	*Main Leaf*						
1	*Chevrolet Truck*						
	22-142 Front	6·00 U.K.	0·25	6·25	7·66	1·41	23·50
	22-177 Rear	9·00 U.K.	0·25	9·25	11·14	1·89	21·00
2	*Dodge Truck*						
	34—457 Rear	12·00 U.K.	0·34	12·34	14·42	2·08	17·33

17. It will be seen from the above statement that in respect of some types of leaf springs the duty required to equate their fair *ex*-works prices with the landed costs (*ex*-duty) of corresponding imported springs ranges from 0·60 per cent. to 23·25 per cent. Similarly the duty required to equate the fair *ex*-duty prices of some types of main leaves with the landed costs (*ex*-duty) of corresponding imported leaves ranges from 17:33 per cent. to 23·50 per cent. It is true that our examination has been limited to only a few of the types from among the large number for which fair *ex*-works prices have been estimated, and it is conceivable that in a number of the other cases the disadvantage suffered by the indigenous industry is negligible while in others it is likely to be high. Nevertheless from the limited examination made by us it is evident that a *prima facie* case for continuance of protection to the industry is established. There are, besides, other reasons for continuance of protection. The industry is still entirely dependent on foreign sources for its requirements of raw materials and until spring steel is freely available from indigenous sources its competitive strength against foreign products will be poor. It faces competition from manufacturers in U.K. and West Germany who are in a position to obtain steel at prices cheaper than those relating to imports of the material by indigenous manufacturers from Sweden and U.S.A. Under present conditions of inflationary trends in prices of all industrial raw materials it will be extremely difficult for the indigenous industry to maintain its cost of production at a competitive level with the prices of imported springs from U.K. and West Germany. The protection and assistance granted to the leaf spring industry has been conceived as a part of the case for protection to the automobile industry as a whole. The automobile industry, as also most of the other ancillary industries relating to autimobiles are in various stages of development which necessitate the continuance of protective measures in their favour for some considerable time to come. It will, therefore, be premature to withdraw protection from the automobile leaf spring industry at this stage. The position regarding the supply of spring steel from indigenous sources is likely to become clear in about two years by which time the expansion of the Tata Iron and Steel Co., Ltd., is expected to be completed, and one or two other steel plants also would come into operation. The projected expansion of the capacity of Guest, Keen, Williams Ltd., would also near completion by 1959. After taking into consideration all the above factors we recommend that protection to the automobile leaf spring industry should be continued up to 31st December, 1959 and that the rate of protective duty should be retained at the existing level of 50 per cent. *ad valorem* As regards the preferential rate of duty applicable to leaf springs adapted exclusively for use as parts and accessories of motor vehicles other than motor cars, including taxi cabs, it may be fixed in accordance with the provisions of the relevant Trade Agreement. In view of the operation of import control for conserving foreign exchange and the progressive shrinkage in the quantum of imports of leaf springs we are of opinion that there is no case for recommending a reduction in the rate of duty.

Measure of protection.

Selling prices and commissions.

18.1. From the examination made by us we find that the selling prices of representative types of springs charged by the industry are considerably out of proportion to their current and estimated future ex-works prices. It may be that this is largely because the industry enjoys a sheltered market through import restrictions. Indications are that competition within the industry will become effective in a short time and that such competition will take care of the tendency to charge high prices. Even so, we feel that it is necessary to administer a warning to the organised units which are now in existence. The prices which these units are reported to be charging to automobile producers for springs supplied as original equipment are negotiated prices. We have found, however, that in regard to certain types of springs the market prices (for replacement needs) are 105 per cent. higher than the estimated fair *ex*-works prices. There is no justification for such a wide disparity. We, therefore, recommend that the manufacturers of leaf springs and springs leaves should immediately effect a reduction in their selling prices and maintain them at levels in fair relation to their costs of production.

18.2. Connected with the issued of selling prices is the question of selling commissions allowed to dealers which range from 7½ per cent. to 25 per cent. We are aware that remuneration to dealers would depend on services rendered by them for marketing, the extent to which they have to be remunerated for locking up capital to maintain stocks of various types, and the extent of possible loss due to obsolescence. We do not, however, favour the tendency to exaggerate the incidence of these elements in the expenses incurred by dealers, which results in inflating the price charged to the consumer. We also feel that the interests of the consumer should be safeguarded by the manufacturer by limiting the influence of the dealer on the price of the product. While the manufacturer is free to share his profits with the dealers in the manner most suitable for him he should put into practice a system whereby the final purchaser of his product pays no more than a reasonable amount for it. We, therefore, recommend that all manufacturers of leaf springs and leaves should periodically publish and arrange to display at the premises of the dealers list prices of all varieties of springs indicating the price for each item.

19. Our conclusions and recommendations are given below :—

Summary of Conclusions and recommendations.

(1) The Iron & Steel Controller should take necessary steps to help the automobile leaf spring industry to obtain regular supplies of spring steel flats to meet its essential requirements.

[Paragraph 10.3]

(2) The Development Commissioner, Small Scale Industries, should take early steps to provide the small scale manufacturers with necessary technical assistance and, wherever possible, common facilities for testing of springs and raw materials with a view to improving the quality of leaf springs produced by them.

[Paragraph 11.2]

(3) All the units in the industry should introduce a proper system of costing before the end of June, 1958 and report to the Commission.

[Paragraph 15.1]

(4) Protection to the automobile leaf spring industry should be continued up to 31st December, 1959 and the rate of protective duty should be retained at the existing level of 50 per cent. *ad valorem.*

[Paragraph 17]

(5) The manufacturers of leaf springs and spring leaves should immediately effect a reduction in their selling prices and maintain them at levels in fair relation to. their costs of production.

[Paragraph 18.1.]

(6) All manufacturers of leaf springs and leaves should periodically publish and arrange to display at the premises of the dealers list prices of all varieties indicating the price for each item.

[Paragraph 18.2]

Acknowledgements.

20. We wish to express our thanks to the manufacturers, importers and consumers who furnished us with valuable information and to their representatives who gave evidence before us.

सत्यमेव जयते

C. RAMASUBBAN,
Member.

S. K. MURANJAN,
Member.

R. S. BHATT,
Member.

RAMA VARMA,
Secretary.

BOMBAY;
Dated, 28th September, 1957.

APPENDIX I

(*Vide* Paragraph 3.1)

List of firms or bodies to whom the Commission's Questionnaries/Letters were issued and from whom replies or memoranda were received

*Indicates those who sent their replies/memoranda.

@Indicates those who are not interested.

A. PRODUCERS :

*1. Auto Pins (India) Industries Area, Faridabad. (Central Rly.)
@2. Bharat Iron and Metal Works, Ladowala Road, Jullundur City (Punjab)
*3. Bombay Motor Trading Co. Ltd., Kapurthala (Northern Rly.)
*4. Canara Workshops Ltd., P. B. No. 12, Mangalore-3.
*5. Deepak Industries Ltd., 16, Hare Street, Calcutta.
6. Delta Products Corporation (India), 3, Modi Chambers, French Bridge, Bombay-4.
7. Kuller and Co., Civil Lines, Ludhiana.
*8. Mahindra & Mahindra Ltd., Gateway Building, Apollo Bunder, Bombay.
*9. Metropolitan Springs Private Ltd., Antop Hill, Wadala, Bombay-31.
*10. Premier Automobiles Ltd., Agra Road, Bombay.
11. Pullman Auto Spares, 55, G. B. Road, Delhi.
12. Shri Adwaita Charan Jena, Anakhia, Cuttack (Orissa).
*13. Simpson and Co., Ltd., 202/203 Mount Road, Madras-2.
*14. Sudarshan Engineering Works, 3618 Chawri Bazar, Delhi.
15. Swasti and Co., 38, Strand Road, Calcutta.
*16. United Service Association, Civil Lines, Ludhiana, Punjab.
*17. United Spring Manufacturing Co., 454, Sardar Vallabhbhai Patel Road, Bombay-4.
18. Young India Spring Manufacturing Co., Anakhia, Cuttack (Orissa).
*19. The Tata Locomotive and Engineering Co., Ltd., (Automobile Division) Bombay House, Bruce St. Bombay.
*20. The Saurashtra Industries Private Ltd., Ranchhod Bhuvan, Opera House, Bombay-4.
*21. The Union Trading Co., 395, Vithalbhai Patel Road, Bombay-4.

B. PRODUCERS' ASSOCIATIONS :

1. Auto Spring Manufacturer's Association, Hamiltan Road, Delhi.
*2. Automotive Manufacturer's Association, of India, India Exchange, Calcutta.

C. IMPORTERS :

@1. Addison & Co. Ltd., 158, Mount Road, Madras-2.
*2. Ashok Leyland Ltd., N.S.C. Bose Road, Madras-1.
@3. Automobile Products India Ltd., Bhandup, Bombay.
4. Auto & Radio Equipment Co., 316, Vithalbhai Patel Road, Bombay-4.
5. Associated Auto Ltd., 445, Lamington Road, Bombay.

6. Central Automobiles Ltd., Laxmi Bhuvan, 466, Sardar Vallabhbhai Patel Road, Bombay-4.

@7. Dewar's Garage and Engineering Works, 4, Council House Street, Calcutta-1.

@8. French Motor Car Co. Ltd., 9-11, Hughes Road, Bombay-26.

*9. George Oakes Ltd., P. B. No. 499, Bombay-1.

10. Conwest Ltd., 448, Lamington Road, Bombay-4.

11. Jullundur Motor Agency (Delhi) Ltd, Kashmere Gate, Delhi.

*12. Hindustan Motors Ltd., 8, Royal Exchange Place, Calcutta.

*13. Mahindra & Mahindra Ltd., Gateway Building, Appollo Bunder, Fort, Bombay-1.

@14. Premier Automobilies Ltd., Agra Road, Kurla, Bombay.

@15. Standard Motor Products of India Ltd., 29, Mount Road, Madras.

16. India Motor Parts & Accessories Ltd., 1/55, Mount Road, Madras.

@17. Simpson & Co. Ltd., 202/203, Mount Road, Madras.

18. The Howrah Motor Co. Ltd., P-6, Mission Row Street, Calcutta-1.

*19. Sundaram Motors Ltd., Mount Road, Madras.

*20. Vora Bros., New Queen's Road, Bombay-4.

*21. F. & C. Osler (Imp.) Ltd., New Queen's Road, P. B. No. 3616, Bombay.

22. Spencer Ltd., P-38, Mission Row Extn., Calcutta.

@23. Heatly & Gresham Ltd., P. Box 225; 9, Forbes Street, Fort. Bombay-1.

@24. Lucas Indian Service Ltd. 46, Wellesely Road, Calcutta.

D. CONSUMERS :

(*a*) *Manufactures/Assemblers of Vehicles.*

@1. Addison and Co. Ltd., 158, Mount Road, Madras-2.

*2. Ashok Leyland Ltd., N.S.C. Bose Road, Madras-1.

@3. Automobile Products of India Ltd., Bhandup, Bombay.

@4. Dewar's Garage and Engineering Works, 4, Council House Street, Calcutta-1.

@5. French Motor Car Co. Ltd., 9-11, Hughes Road, Bombay-26.

*6. Hindustan Motors Ltd., 8, Royal Exchange Place, Calcutta.

*7. Mahindra & Mahindra Ltd., Gateway Building, Appollo Bunder, Bombay.

@8. Premier Automobiles Ltd., Agra Road, Kurla, Bombay.

*9. Standard Motor Products of India Ltd., 29, Mount Road, Madras.

*10. The Tata Locomotive and Engineering Co. Ltd., (Automobile Division), Bombay. House, Bruce Street, Fort, Bombay-1.

(*b*) *Fleet Owners :*

*11. The Ahmedabad Municipal Transport Service, Outside Jamalpur Gate, P. B. No. 142, Ahmedabad.

*12. The Bombay Electric Supply and Transport Undertaking, Electric House, Bombay.

*13. Canara Public Conveyance Co. Ltd., P. B. No. 85, Mangalore (S. India).

*14. Southern Roadways Ltd., T.V.S. Buildings, West Veli Street, Madras.

(C) State Transport Services :

15. The Manager, Amritsar Omnibus Service, Amritsar.

16. The General Manager,Bangalore Transport Co. Ltd., 449, Wilson Gardens, Bangalore (S. India).

*17. The Chairman, Bombay State Road Transport Corporation, Central Office, 80-81, Dr. Annie Besant Road, Bombay-18.

18. The General Manager, Himachal Government Transport, Simla.

19. Transport Commissioner, Government Transport House, Mount Road, Madras.

*20. The Director,State Transport,Govt.of Assam, Shillong (Assam).

*21. The Provincial Transport Controller, Chandigarh (Punjab).

*22. Directorate of Transportation Govt. of West Bengal, 5, Nilgunge Road, Belgharia, 24 Parganas.

E. GOVERNMENT DEPARTMENTS :

*1. The Chief Industrial Adviser, Ministry of Commerce and Industry (Development Wing), Shahjahan Road, New Delhi.

*2. Indian Standards Institution, 19, University Road, Delhi.

*3. Iron and Steel Controller, 33, Netaji Subhas Road, Calcutta.

*4. The Development Commissioner, Small Scale Industries, Ministry of Commerce and Industry, New Delhi.

*5. The Secretary to the Govt. of India, Ministry of Defence, New Delhi.

*6. The Director-General of Supplies and Disposals, Shahjahan Road, New Delhi.

*7. The Director of Industries & Statistical Authority, Government of Bombay, Bombay.

*8. The Director of Industries and Commerce, Government of Madras, Madras-5.

*9. The Secretary to the Government of Punjab, Industries Department, Chandigarh.

@10. The Director of Industries, Government of Orissa, Cuttack.

*11. The Director of Industries and Labour, No. 1, Rajpur Road, Delhi.

*12. The Director of Industries, Government of Mysore, Bangalore.

*13. The Collector of Customs, Bombay.

*14. The Collector of Customs, Cochin.

*15. The Collector of Customs, Calcutta.

*16. The Collector of Customs, Madras.

*17. The Secretary to the Government of India, Ministry of Transport & Communication Department of Transport, New Delhi.

F. OTHERS :

1. Auto-Spark, 457, Sandhurst Road, Bombay-4.

2. Automobile News, P. B. No. 6095, Colaba, Bombay-5.

3. Hind Motor Corporation, 24 B, Hamam Street, Bombay.

G. RAW MATERIAL SUPPLIES :

*Guest, Keen, Williams Ltd., 41, Chowringhee Road, P. B. No. 609, Calcutta-16.

APPENDIX II

(*Vide* Paragraph 3.3)

List of persons who attended the Commission's public inquiry on 23rd July 1957.

PRODUCERS :

1. Shri V. L. Shah	Representing	Metropolitan Springs Private Ltd., Antop Hill, Wadala, Bombay-31.
2. Shri J. P. Sheth . . .	,,	Ditto
3. Shri S. V. Kudva	,,	Canara Workshops Ltd., Post Box No. 12, Mangalore-3.
4. Shri V. S. Kudva	,,	Ditto
5. Shri A. B. Prakash	,,	Tata Locomotive and Engineering Co. Ltd., (Automobile Division), Bombay House, Bruce Street, Bombay-1.
6. Shri A. Natarajan	,,	Ditto
7. Shri S. K. Shah	,,	The Premier Automobiles Ltd., Agra Road, Kurla, Bombay-37.
8. Shri B. R. Sule	,,	Mahindra and Mahindra Limited Gateway Building, Apollo Bunder, Bombay-1.
9. Shri Bawa Jaswant Singhji . .	,,	Bombay Motor Trading Company, Kapurthala, (Northern Rly.).
10. Shri G. S. Dugal	,,	Auto Pins (India), Industrial Area, Faridabad. (C. Rly.)
11. Shri Kesar Singh	,,	The Union Trading Company, 395, Vithalbhai Patel Road, Bombay-4.
12. Shri N. C. Doshi	,,	The Saurashtra Industries Private Ltd., Ranchhod Bhavan, Opera House, Bombay-4.

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SUPPLIERS OF RAW MATERIALS :

13. Shri K. R. Iyer	Representing	Guest, Keen, Williams Limited, 41, Chowringhee Road, Post Box No. 609, Calcutta-16.
14. Shri D. R. Dhanboora . . .	,,	The Tata Iron and Steel Co.Ltd. Bombay House Bruce Street, Bombay-1.
15. Mr. R. M. Marshall . . .	,,	The United Steel Companies (India) Private Ltd., Himalaya House, Post Box No. 673, Bombay-1.
16. Shri R. V. Shah	,,	Revvan and Company, 239, Sion Road, Bombay-22.

IMPORTERS :

17. Shri M. K. Pillai	Representing	George Oakes (Private) Ltd. Post Box No. 499, Bombay.
18. Shri C. T. Shah	,,	Vora Bros., New Queen's Road, Bombay-4.

CONSUMERS:

19. Shri N. Ramamurti . . .	,,	Ashok Leyland Limited, N.S.C. Bose Road, Madras.
20. Shri C. A. Michael . . .	,,	Ahmedabad Municipal Transport Service, Outside Jamalpur Gate, P. O. Box No. 142, Ahmedabad.
21. Shri N. Balkrishna	,,	The Bombay Electric Supply and Transport Undertaking, Electric House, Bombay-5.
22. Shri M. L. Shenoy	,,	The Canara Public Conveyance Co. Ltd., Post Box No. 85, Mangalore-3.
23. Shri M. K. Mantri	,,	Bombay State Road Transport Corporation, Central Stores, Ghodbunder Road, Santacruz, Bombay-23.
24. Shri H. T. Gidwani. . . .	,,	Ditto

GOVERNMENT OFFICIALS :

25. Shri S. C. Banerjee	,,	Ministry of Commerce and Industry, (Development Wing), Government of India, Shahjahan Road, New Delhi.
26. Col. Jambusarwalla . . .	,,	Ministry of Defence, Government of India, New Delhi.
27. Lt. Col. G. G. Rochlani . . .	,,	Ditto
28. Lt. Col. T. B. Poduval . . .	,,	Institute of Armament Studies, Kirkee, Poona-3.
29. Lt. Col. O. C. Eapen . . .	,,	Iron and Steel Controller, 33, Netaji Subhas Road, Calcutta.
30. Shri S. B. Basu	,,	Ditto
31. Shri A. B. Rao	,,	Indian Standards Institution, 19, University Road, Delhi.
32. Shri D. S. Godbole	,,	Director of Industries, Government of Bombay, Bombay.
33. Shri Kokatey	,,	Collector of Customs, New Custom House, Bombay-1.

OTHERS :

34. Shri Kishu Gidwaney . . .	,,	Automobile News, Bombay.
35. Shri A. K. Sangal	,,	Automobile India, Delhi.
36. Shri Ronald K. Koch . . .	,,	Auto-Spark, Bombay.

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APPENDIX III

(*Vide* Paragraph 8.2)

Detailed statement showing production of automobile leaf spring leaves for (*a*) *passenger cars and* (*b*) *commercial vehicles during* 1954, 1955, (1956 *&* 1957 (*January-March*)

Sl. No.	Name of the unit	1954		1955		1956		1957 (January-March)	
		Nos.	Tons	Nos.	Tons	Nos.	Tons	Nos.	Tons
	I. Leaf springs								
	(*a*) *for passenger cars*								
1	Metropolitan Springs (Private) Ltd.	7,623	100.83	8,826	105.09	8,654	98.07	396	4·47
2	Canara Workshops Ltd.	678	*9.71	859	11.60	8,396	126.80	3,311	42.10
3	Premier Automobiles Ltd.	..	..	1,710	19.84	7,812	91.35	2,314	27.07
4	Auto Pins (India)	N.A.	N.A.	N.A.	N.A.	100 (October to December)	4.58	50	2.29
	TOTAL	8,301	110.54	11,395	136.53	24,962	320.80	6,071	75·93
	(*b*) *for commercial vehicles*								
1	Metropolitan Springs (Private) Ltd.	4,132	174·26	8,114	257·64	7,545	274·42	2,072	66.75
2	Canara Workshops Ltd.	4,213	*245·02	5,493	353·60	9,771	572.20	3,167	146.10
3	Premier Automobiles Ltd.	11,951	420·26	14,339	445·82	22,275	918.68	4,754	233.69
4	Auto Pins (India)	N.A.	N.A.	N.A.	N.A.	700	31·48	350	16·08
5	Tata Locomotive & Engineering Co. Ltd.	..	..	4,696	261.65	13,384	772.04	5,321	240.66
	TOTAL	20,296	839·54	32.642	1318.71	53,675	2568·82	15,664	703.28
	Total of (*a*) *and* (*b*)								
1	Metropolitan Springs (Private) Ltd.	11,755	275·09	16,940	362·73	16,199	372·49	2,468	71.22
2	Canara Workshops Ltd.	4,891	*254·73	6,352	365·20	18,167	699·00	6,478	188.20
3	Premier Automobiles Ltd.	11,951	420·26	16,049	465·66	30,087	1010.03	7,068	260.76
4	Auto Pins (India)	N.A.	N.A.	N.A.	N.A.	800	36.06	400	18.37
5	Tata Locomotive & Engineering Co. Ltd.	..	..	4,696	261.65	13,384	772.04	5,321	240.65
	I. TOTAL	28,597	950.08	44,037	1455·24	78,637	2889.62	21,735	779·21

II. Spring Leaves

(c) for passenger cars								
1 Metropolitan Springs (Private) Ltd.	118	0·28	..	..	183	0.44	..	..
2 Canara Workshops Ltd.	11,023	*59·99	12,024	65.20	11,060	64.00	3,597	16.00
3 Premier Automobiles Ltd.	..	..	..	..	200	0.12	..	..
4 Auto Pins (India)	667	2·97 (Oct.—Dec.)	4,723	21.55	5,351	26.45	773	3.54
TOTAL	11,808	63.24	16,747	86.75	16,794	91.01	4,370	19.54
(d) for commercial vehicles								
1 Metropolitan Springs (Private) Ltd.	34,171	200·45	26,043	176.38	16,176	113.01	5,268	31.55
2 Canara Workshops Ltd.	63,236	218·94	80,847	237·30	92,950	321.00	11,743	84.08
3 Premier Automobiles Ltd.	24,118	108·98	1,273	7.15	6,039	27.85	2,014	12.29
4 Auto Pins (India)	6,000 (October-December)	29·76	42,500	194.00	48,161	237.60	6,964	31.87
5 Tata Locomotive & Engineering Co. Ltd.	..	..	..	..	3,129	116.00	6,724	220.50
TOTAL	127,525	558.13	150,663	614.83	166,455	815.46	32,713	380.29
Total of (c) and (d)								
1 Metropolitan Springs (Private) Ltd.	34,289	200·73	26,043	176.38	16,359	113.45	5,268	31.55
2 Canara Workshops Ltd.	74,259	278·93	92,871	302.50	104,010	385.00	15,340	100.08
3 Premier Automobiles Ltd.	24,118	108·98	1,273	7.15	6,239	27.97	2,014	12.29
4 Auto Pins (India)	6,667	32·73	47,223	215·55	53,512	264.05	7,737	35.41
5 Tata Locomotive & Engineering Co. Ltd.	..	..	..	..	3,129	116.00	6,724	220.50
II. TOTAL	139,333	621·37	167,410	701·58	183,249	906·47	37·083	399·83
III. The Bombay Motor Trading Co.	N.A.	728·00	N.A.	755·00	N.A.	1158·00	N.A.	391·00
GRAND TOTAL OF I, II & III (IN TONS ONLY)	..	2299·45	..	2911·82	..	4954·09	..	1570·04

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* These figures in tons have been estimated on the basis of an average weight of production during the subsequent 2¼ years.

N.A.=Not available.

APPENDIX IV

(*Vide* Paragraph 1.22)

Statistics of imports in quantity and value of automobile leaf spring leaves during 1955-56 *and* 1956-57

Sl. No.	Name of the country from which automobile leaf springs and spring leaves were imported	1955-56				1956-57			
		Leaf Springs		Spring Leaves		Leaf Springs		Spring Leaves	
		Quantity (Tons)	Value (Rs.)	Quantity (Tons)	Value (Rs.)	Quantity (Tons)	Value (Rs.)	Quantity (Tons)	Value (Rs.)
1	United Kingdom	1,095	9,97,333	63	80,515	953	8,55,253	238	2,85,060
2	U. S. A.	390	7,04,914	25	34,551	169	5,93,960	32	24,711(H)
3	Western Germany	267	6,35,157	2	4,489	368	6,59,617	7	4,313
4	Egypt	159	1,26,832	14	4,716	..	..	..	..
5	Belgium	126	78,505	..	518	88	1,35,298	27	21,120
6	Canada	64	74,026	..	..	12	14,893	6	18,871
7	Netherlands	35	15,837	..	..	26	15,633	4	3,378
8	Italy	10	47,714	..	..	2	1,095	..	308
9	Singapore	1	1,527	1	2,063	..	..	..	..
10	Kenya	1	1,348	..	..	..	..	..	..
11	Japan	..	557	..	..	..	..	..	..
12	Eire	..	..	..	..	2	4,813	..	2,996
13	Czechoslovakia	..	..	..	..	..	20	..	..
14	Hongkong	..	..	..	..	..	184	..	..
15	British East Africa	..	..	..	..	..	88	..	..
16	Syria	..	..	..	..	..	157	..	..
	TOTAL	2,148	26,83,750	105	1,26,852	1,620	22,81,611	314	3,60,757

H=The figures for October 1956 are under reference.

APPENDIX V

(*Vide* Paragraph 14)

Statement showing the c. i. prices, customs duty, clearing charges and landed costs of automobile leaf springs and springs leaves

Sl. No.	Name of the car/truck in which the spring is used	Type and specification	Source of information	Origin of import	Date of import	c.i.f. price	Customs duty Rate	Customs duty Amount	Clearing charges	Landed cost
1	2	3	4	5	6	7	8	9	10	11
	(A) Leaf Spring					Rs.		Rs.	Rs.	Rs.
1	Chevrolet Truck .	22—174 Front Spring (11 leaves).	Collector of Customs, calcutta	U.K.	January-June 1957	32.00	42½%	13.60	0.50	46.10
		22-177 Rear Spring (10 leaves)	Do.	Do.	Do.	48.00	Do.	20.40	0.50	68.90
		22-207 Rear Spring (11 leaves)	Do.	Do.	Do.	50.00	Do.	21.25	0.50	71.75
2	Studebaker Truck	684056 Rear Spring	Do.	U.K.	Do.	175.96	50%	87.98	5.00	268.94
3	Commer Truck .	W-41489 Rear Spring (13 leaves)	Collector of Customs, Bombay.	Do.	December-1956	187.50	42½%	79.69	6.12	273.31
4	Tata Mercedes-Benz Truck.	312-320-3802 Front Spring.	Collector of Customs, Calcutta.	Western Germany.	January-June, 1957.	128.93	50%	64.46	8.04	201.43
		312-320-2408 Rear Spring.	Do.	Do.	Do.	153.03	Do.	76.52	9.56	239.11

1	2	3	4	5	6	7	8	9	10	11
5	Leyland truck .	281758 Front Spring (14 leaves)	Collector of Customs, Madras.	U.K.	April, 1957	116.73	42½%	49.61	1.17	167.51
		281768 Rear Spring (19 leaves)	Do.	U.K.	April, 1957	180.67	42½%	76.78	1.81	259.26
6	Hindustan Car (Landmaster).	ACH-5643 Rear Spring.	Collector of Customs, Calcutta.	U.K.	January-June, 1957	35.04	50%	17.52	0.53	53.09
7	Willy's Jeep .	Front No. 645548 .	Mahindra & Mahindra	U.S.A.	January-April 1957	37.49	50%	18.75	0.56	56.80
		Rear No. 647609 .	Do.	Do.	Do.	50.49	50%	25.24	0.76	76.49
	B. Main Leaf									
1	Chevrolet Truck .	22-142-Front Main leaf.	Collector of Customs Calcutta.	U.K.	January-June, 1957	6.00	42½%	2.55	0.25	8.80
		Do.	Collector of Customs, Bombay.	Do.	November, 1956	7.00	Do.	2.98	0.20	10.18
		22-142 Front Main leaf.	M/s. Vora Bros. Bombay.	Do.	4-11-1956	7.50	Do.	3.19	0.12	10.81
		22-177 Rear Main leaf	Collector of Customs, Calcutta.	Do.	January-June, 1957	9.00	Do.	3.83	0.25	13.08
		22-177 Rear Main leaf	Collector of Customs, Bombay.	Do.	November, 1956	9.00	Do.	3.83	0.25	13.08
		22-177/1 Rear .	M/s. Vora Bros. Bombay.	Do.	4-11-1956	9.46	Do.	4.02	0.12	13.60
2	Tata Mercedes Truck.	312-320-2408 Main leaf	Collector of Customs, Calcutta.	Western Germany	January-June, 1957	37.83	50%	18.92	2.20	58.95

3	Leyland Truck .	281768	Main leaf .	Collector of Customs, Madras.	U.K.	April, 1957	26.83	42½%	11.40	0.27	38.50
		267967	Main leaf .	Do.	Do.	Do.	22.00	Do.	9.35	0.22	31.57
4	Ford Truck .	43/136 leaf	Front Main	Collector of Customs, Bombay.	Do.	March, 1957	8.00	Do.	3.40	0.23	11.63
		43/136 leaf	Front Main	M/s. Vora Bros. Bombay.	Do.	4-11-1956	7.50	Do.	3.19	0.12	10.81
		43/133 leaf	Rear Main	Collector of Customs, Bombay.	Do.	March, 1957	12.00	Do.	5.10	0.18	17.28
		43-133/1-Rear	.	M/.S Vora Bros. Bombay.	Do.	4-11-1956	11.80	Do.	5.02	0.12	16.94
5	Dodge Truck .	34/398 leaf	Front Spring	Collector of Customs, Bombay.	Do.	March, 1957	9.00	Do.	3.83	0.26	13.09
		34/398 leaf	Front Main	M/s. Vora Bros. Bombay.	Do.	4-11-1956	9.00	Do.	3.83	0.12	12.95
		34/457 leaf	Rear Spring	Collector of Customs, Bombay.	Do.	March, 1957	12.00	Do.	5.10	0.34	17.44
		34/457 leaf	Rear Main	M/s. Vora Bros., Bombay.	Do.	4-11-1956	14.44	Do.	6.14	0.12	20.70

APPENDIX VI (A)

(*Vide* Paragraph 15.3)

Statement showing estimates of fair ex-works prices of representative types of complete springs

Sl. No.	Name of the car in which the spring is used	Description	Estimates for future
1	2	3	4
			Rs.
1	Chevrolet Truck	22-174 Front Spring (Heavy duty) (11 leaves)	39.94
	Do.	22-177 Rear Spring (10 leaves)	57.36
	Do.	22-207 Rear Spring (11 leaves)	59.30
2	Ford Truck	43-158 Front Spring (12 leaves)	41.63
	Do.	C84BFS Front Spring (12 leaves)	62.63
	Do.	43-133 Rear Spring (12 leaves)	56.46
3	Dodge Truck	31-402 Front Spring (12 leaves)	51.09
	Do.	34-402 Front Spring (Heavy duty) (12 leaves)	52.96
	Do. (Diesel)	34-461 Rear Spring (11 leaves)	68.56
	Do. (Diesel)	D17566 Front Spring (18 leaves)	78.74
4	Studebaker Truck	88-226 Front Spring (11 leaves)	38.14
	Do.	684056 Rear Spring (13 leaves)	79.14
5	Sedan Truck	BASS-72/1 Rear Spring (15 leaves)	186.28
	Do.	3/ASS/21 Rear Spring (12 leaves)	98.29
6	Morris Truck	V-8519 Front Spring (12 leaves)	87.36
	Do.	V-2397D Rear Spring (13 leaves)	85.47
7	Commer Truck	W-41489 Rear Spring (13 leaves)	109.79
8	Albion Truck	A-12412 Rear Spring (15 leaves)	150.30

9	Tata-Mercedes-Benz Truck	312-320-3802	Front Spring	(11 leaves)	88.50
	Do.	312-320-3408	Rear Spring	(19 leaves)	138.83
10	Leyland Truck (Comet)	281758	Front Spring	(14 leaves)	112.54
	Do. (Comet)	281768	Rear Spring	(19 leaves)	183.56
11	Hindustan Car (Landmaster)	ACH-5643	Rear Spring	(7 leaves)	26.35
12	Standard Car (Standard 10)	301583	Rear Spring	(4 leaves)	16.44
	Do. (Station Wagon)	301151	Rear Spring	(11 leaves)	36.11
	Do. (Vanguard)	302239	Rear Spring	(5 leaves)	22.21
13	Willy's Jeep		Trailor Spring		27.53

APPENDIX VI (B)

(*Vide* Paragraph 15.3)

Statement showing estimates of fair ex-works prices of representative types of main leaves

Sl. No.	Name of the vehicle in which the main leaf is used	Description	Estimates for future
1	2	3	4
1	Chevrolet Truck	22-142 Front Spring (Heavy duty)	7.66
	Do.	22-177 Rear Spring	11.14
	Do.	22-199 Rear Spring	11.19
2	Ford Truck	43-136 Front Spring	7.65
	Do.	C84BFS Front Spring	11.85
	Do.	43-133 Rear Spring	11.14
	Do.	C214TS 5563 Rear Spring	14.98
3	Dodge Truck	34-398 Front Spring	9.74
	Do.	34-457 Rear Spring	14.42
	Do. (Diesel)	D17566 Front Spring	10.52
	Do. (Diesel)	D17571 Rear Spring	15.93
4	Studebaker Truck	88-220 Front Spring	5.26
	Do.	88-493 Rear Spring	9.72
5	Sedan Truck	B/S287 Front Spring	16.48
	Do.	B/T-307 Rear Spring	21.16
	Do.	T-75 Rear Spring	13.66
6	Morris Truck	V-8519 Front Spring	11.92
	Do.	V-2397D Rear Spring	12.37

7	Commer Truck	W-41489	Rear Spring	16.28
8	Albion Truck	12526	Front Spring	11.91
	Do.	A-12412	Rear Spring	21.69
9	Tata-Mercedes-Benz-Truck	312-320-3802	Front Spring	14.79
	Do.	312-320-3408	Rear Spring	15.59
10	Leyland Truck	281768	Rear Spring	16.92
	Do.	267967	Rear Spring	12.37
11	Standard car	3401143	Rear Spring	3.98

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